

# **NORTH CAROLINA PORTS**

WILMINGTON

MOREHEAD CITY

## **Joint Legislative Transportation Oversight Committee**

JANUARY 13, 2012



# NCSPA is a \$40M Business

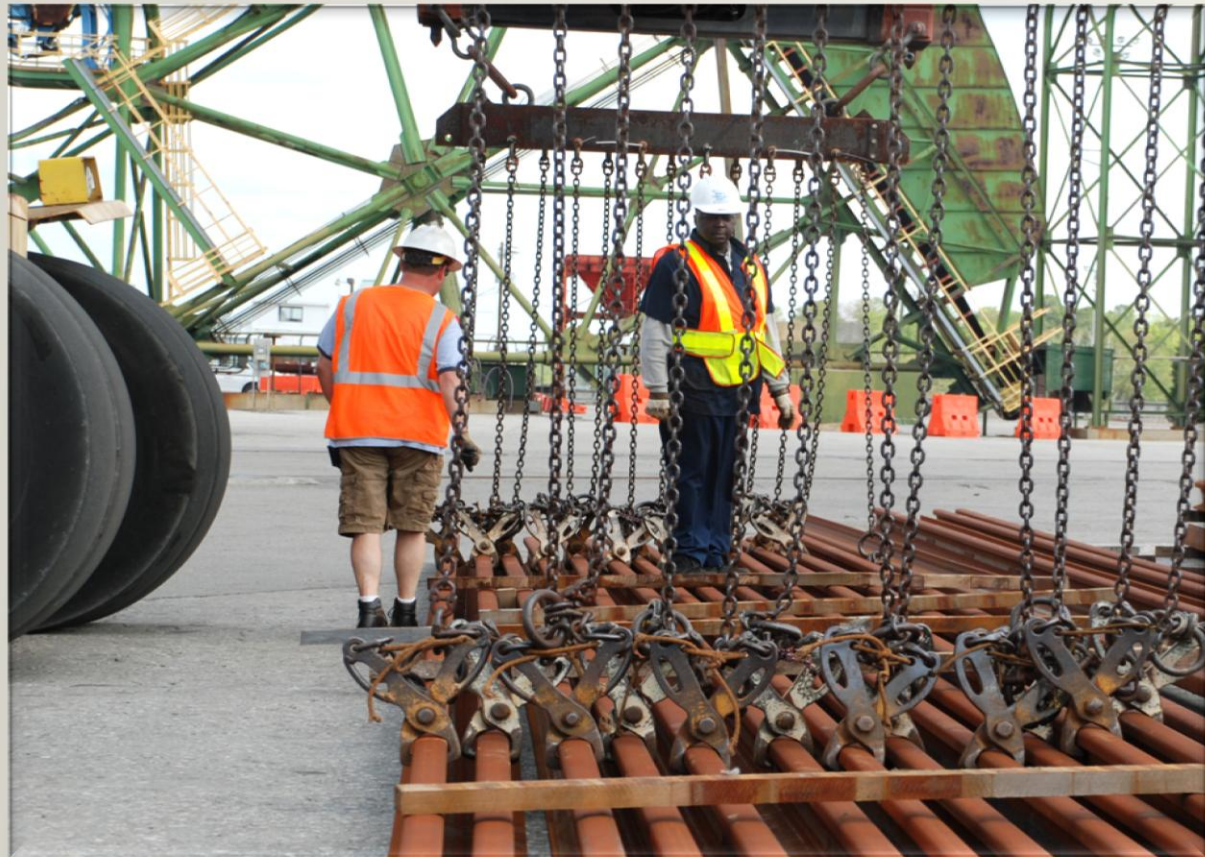
## *Owned by the State of North Carolina*

- Created in 1945 to generate economic benefits for North Carolina by enabling maritime-dependent commerce and industry
- **Supports more than 65,000 jobs statewide and generates more than \$500 million in state and local tax revenue**
- Governed by an appointed Board of Directors; Managed by a staff of industry professionals
- A Corporate Entity that owns, develops, operates and maintains marine and inland terminals
- Promotes, markets and sells port services
- Generates earnings that more than cover day-to-day operating expenses

# Directly Employs 250 in Four Locations Across Three Lines of Business

## The NCSPA Workforce

- Operates terminals
- Provides security and police protection
- Provides professional engineering
- Sells port services
- Manages finances
- Manages back-office administration, HR & IT







# To Accomplish the Mission, NCSPA Relies on Vital Partners

- Labor (Checkers, Longshoremen, Mechanics, Line Handlers, leadership)
- Stevedore
- Private Terminal Operators
- United States Coast Guard
- Customs and Border Patrol
- United States Department of Agriculture
- United States Army Corps of Engineers
- Trucking companies
- Rail Road companies
- Cape Fear River Pilots
- Tug Operators

# Facilities



**Port of Wilmington**



**Port of Morehead City**



**Radio Island**



**Charlotte Inland Terminal**



**Greensboro Inland Terminal**



# The Port of Morehead City

- One of the deepest ports on the East Coast
- 4 miles from the ocean
- 9 Berths
- 128 Acres
- Almost 1M sq. ft. of warehousing
- Served by NS Railroad
- The second largest US port for the import of natural rubber
- Handles both breakbulk and bulk cargo



# The Port of Wilmington



- 284 acres
- Located on the Cape Fear River 26 miles from the ocean
- 9 Berths at 42' ft authorized depth
- Served by CSX and WTRY
- 500,000 TEU annual thruput capacity
- Almost 1.2M square ft of warehousing
- Accepts containers, bulk and breakbulk cargo
- Recognized in the industry for fast, efficient vessel/truck turnarounds as well as crane and gate productivity



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	<b>MOREHEAD</b>	<b>WILMINGTON</b>
Ocean Bar Depth:	47' MLLW	44' MLLW
Channel Depth:	45' MLLW	42' MLLW
Turning Basin Depth:	35'/45' MLLW	42' MLLW
Depth at Berths:	35'/45' MLLW	42' MLLW



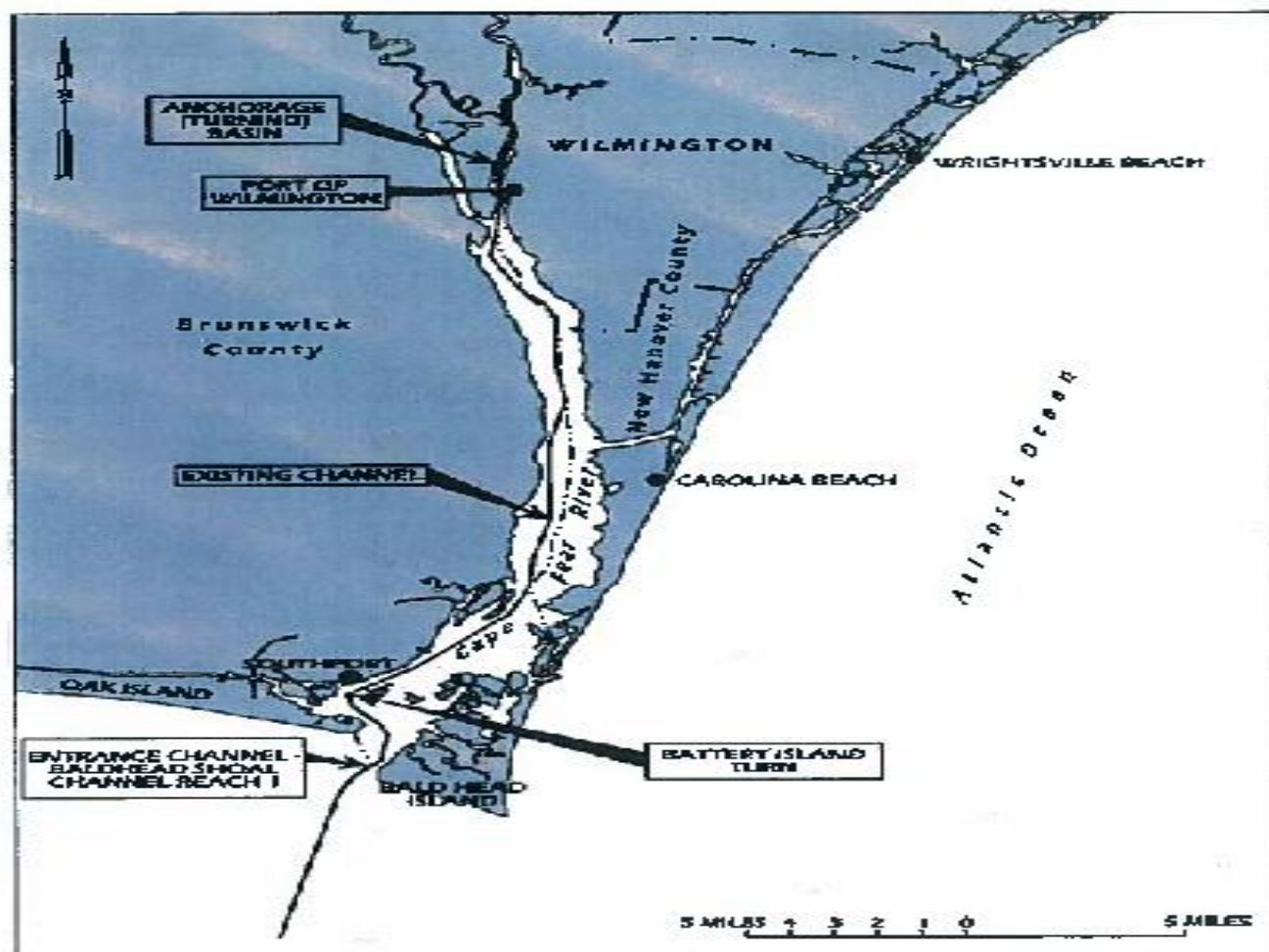
Anytime Transit – in or out:	42' vessel draft	38' vessel draft
Maximum Arrival Draft (with window):	42' vessel draft	42' vessel draft
Maximum Sailing Draft (with window):	42' vessel draft	40' vessel draft



# The Wilmington Harbor Improvement Project

The study will examine:

- The size of the POW turning basin
- Modifications to the 'S' turn at Battery Island
- Examine the entrance to the channel.  
Realignment could be beneficial to Bald Head Island.





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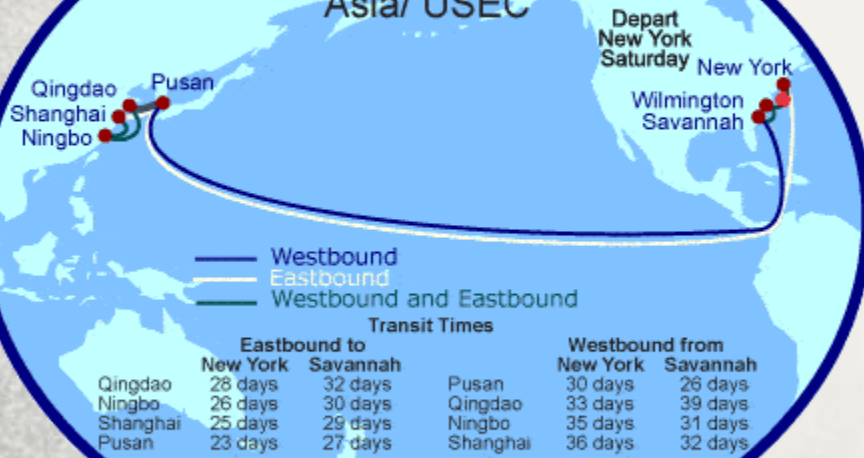
# Our TransPacific Services

**K "K" LINE**  
KAWASAKI KISEN KAISHA, LTD. ®

**YANG MING LINE**

**HANJIN** **OSCO**

## NATCO 3 (AWE-1) North Loop Asia/ USEC



## NATCO 2 (AWE-3) Asia / USEC



## NORTH CAROLINA PORTS

# Our European and Central American Services





# Our customers



*Woodpulp — International Paper*



*Scrap steel — Nucor*



*Rubber — Goodyear,  
Bridgestone, etc.*

*North Carolina's  
businesses depend on  
North Carolina's ports*

# Today's Competitive Environment



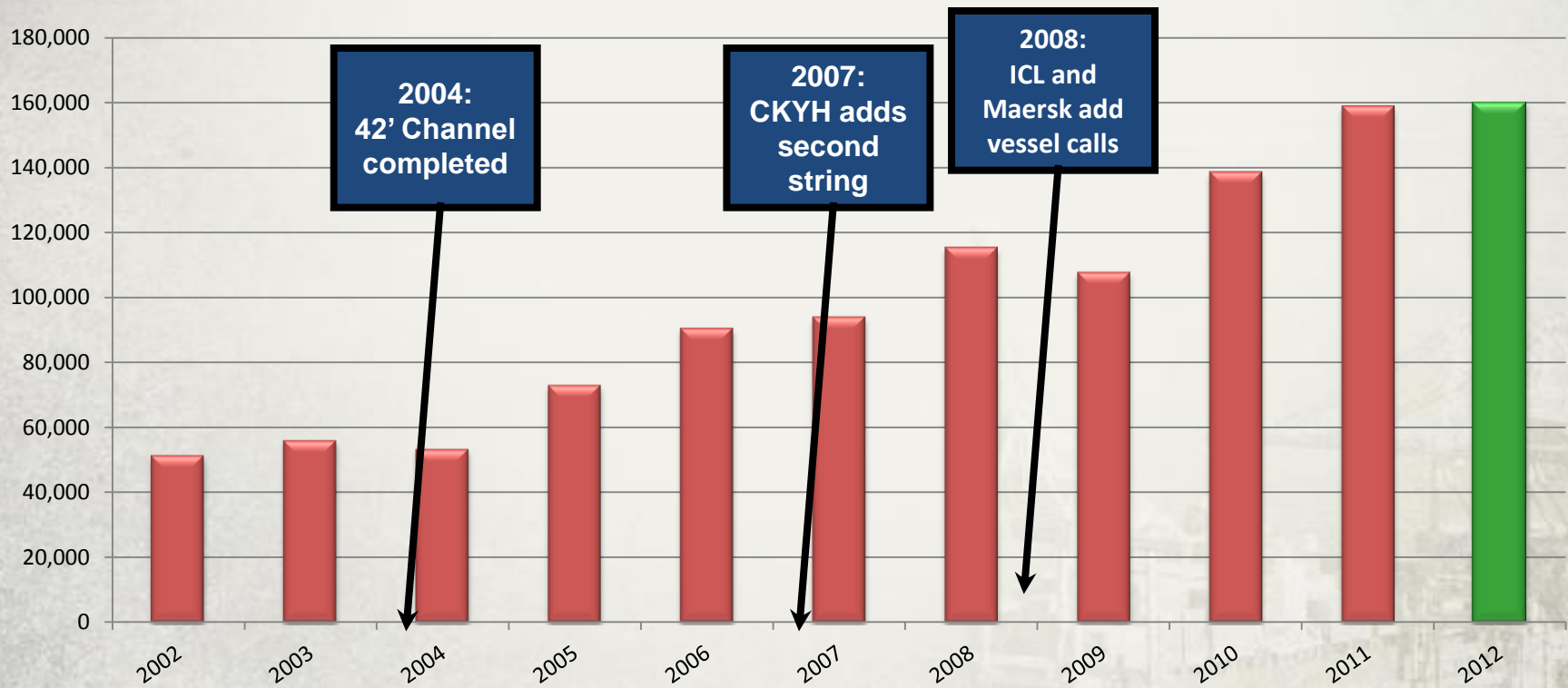
- Primary Competitors: VPA, SCSPA GPA
- Target Markets: Carriers, Importers, Exporters across several industry segments
- Competitive differentiators: Proximity to market demand, road and rail infrastructure, available capacity, low port costs, available carrier services, special handling capabilities and ease of doing business
- Industry is volatile, liner companies are experiencing financial pressures
- The Panama Canal expansion has triggered an infrastructure investment 'arms race' and liner industry consolidation likely to follow
- Pricing of port services is under pressure - costs are poised to rise and some cargo segments are at risk of decline over the next half-decade





# Container Volumes

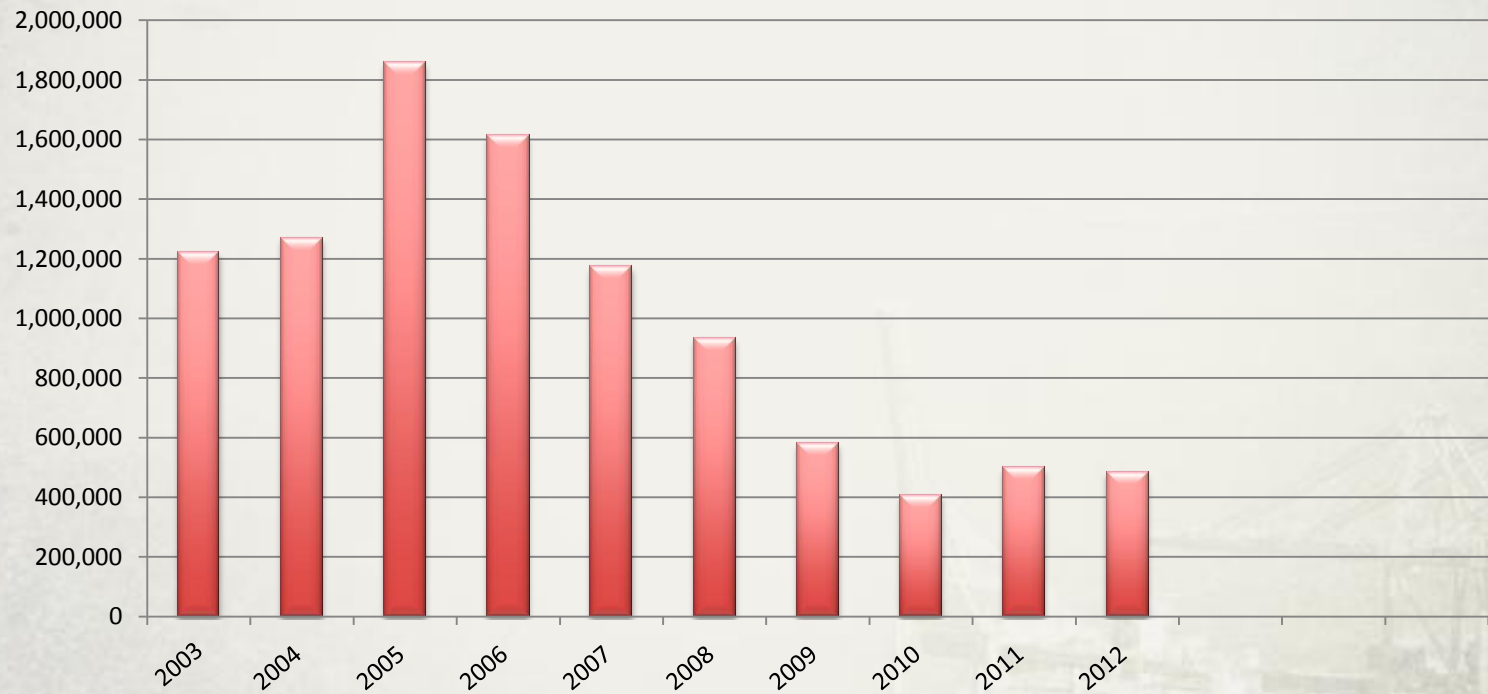
Wilmington's container moves have grown significantly following the completion of the 42' channel project and terminal upgrades





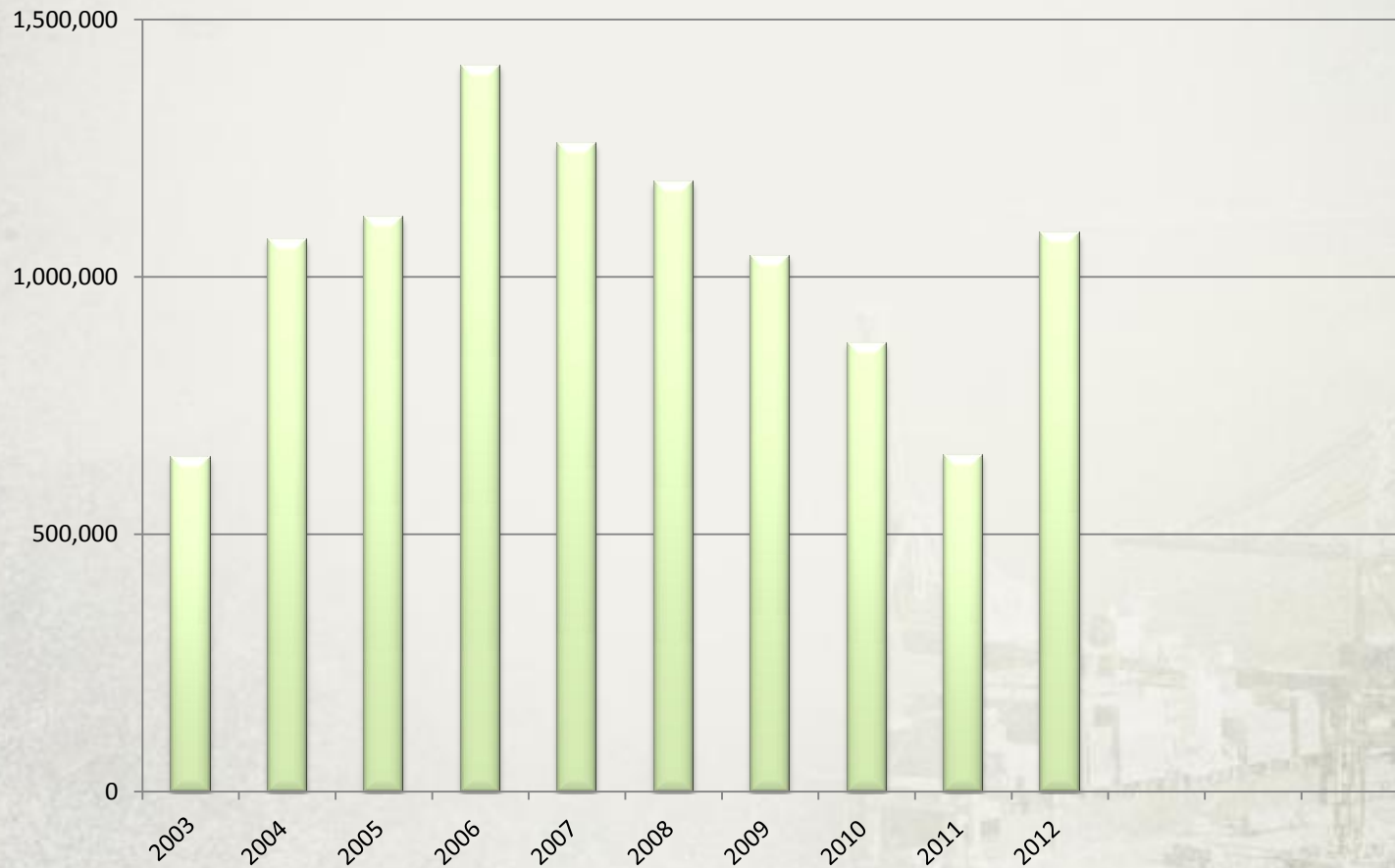
# Breakbulk Volume

**Breakbulk Tons**



# Bulk Volume

**Bulk**

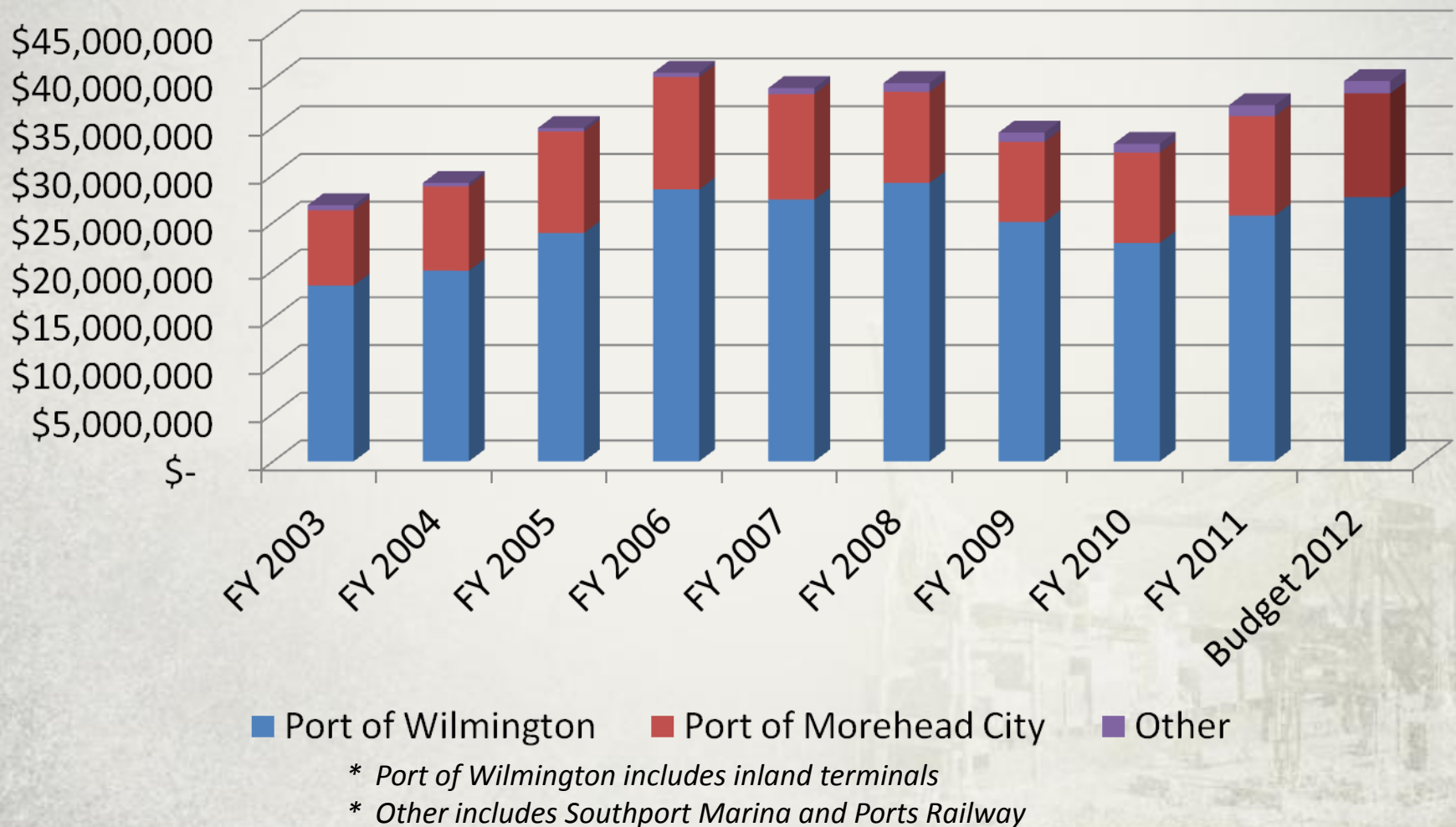






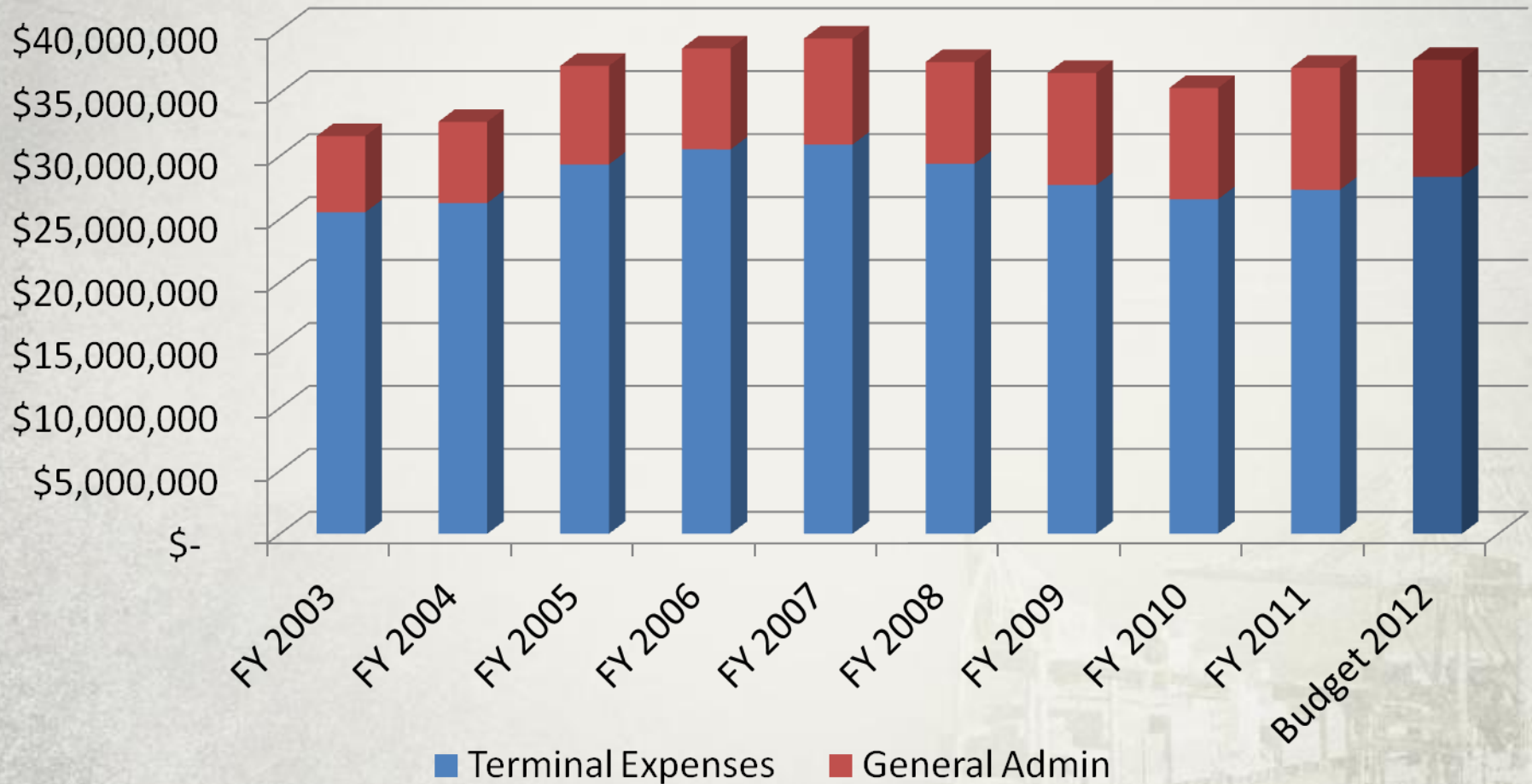
# Operating Revenues

## Operating Revenues by Terminal



# Operating Expenses

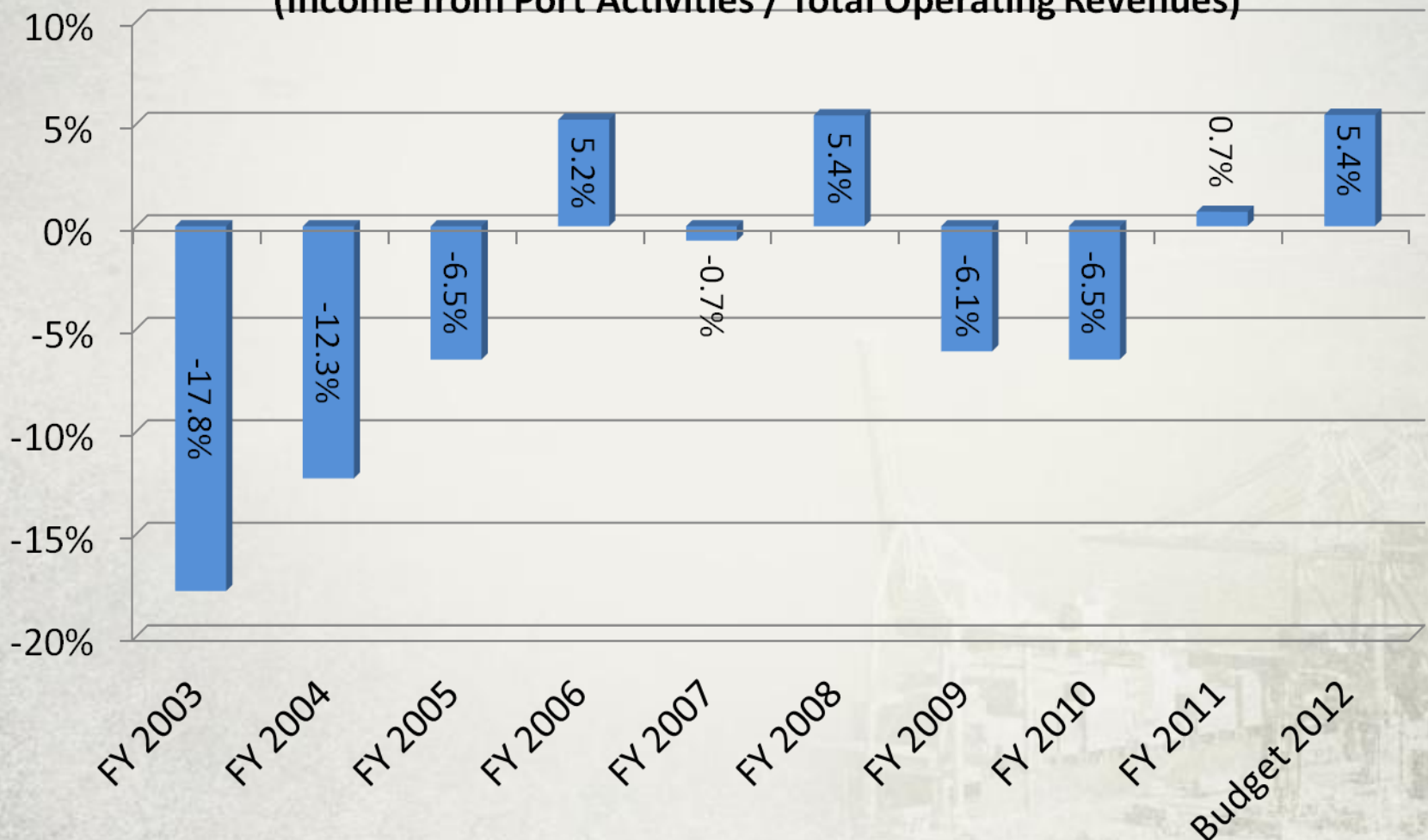
## Terminal Expenses & General Admin



# Operating Margins

## Ports Activity Margins

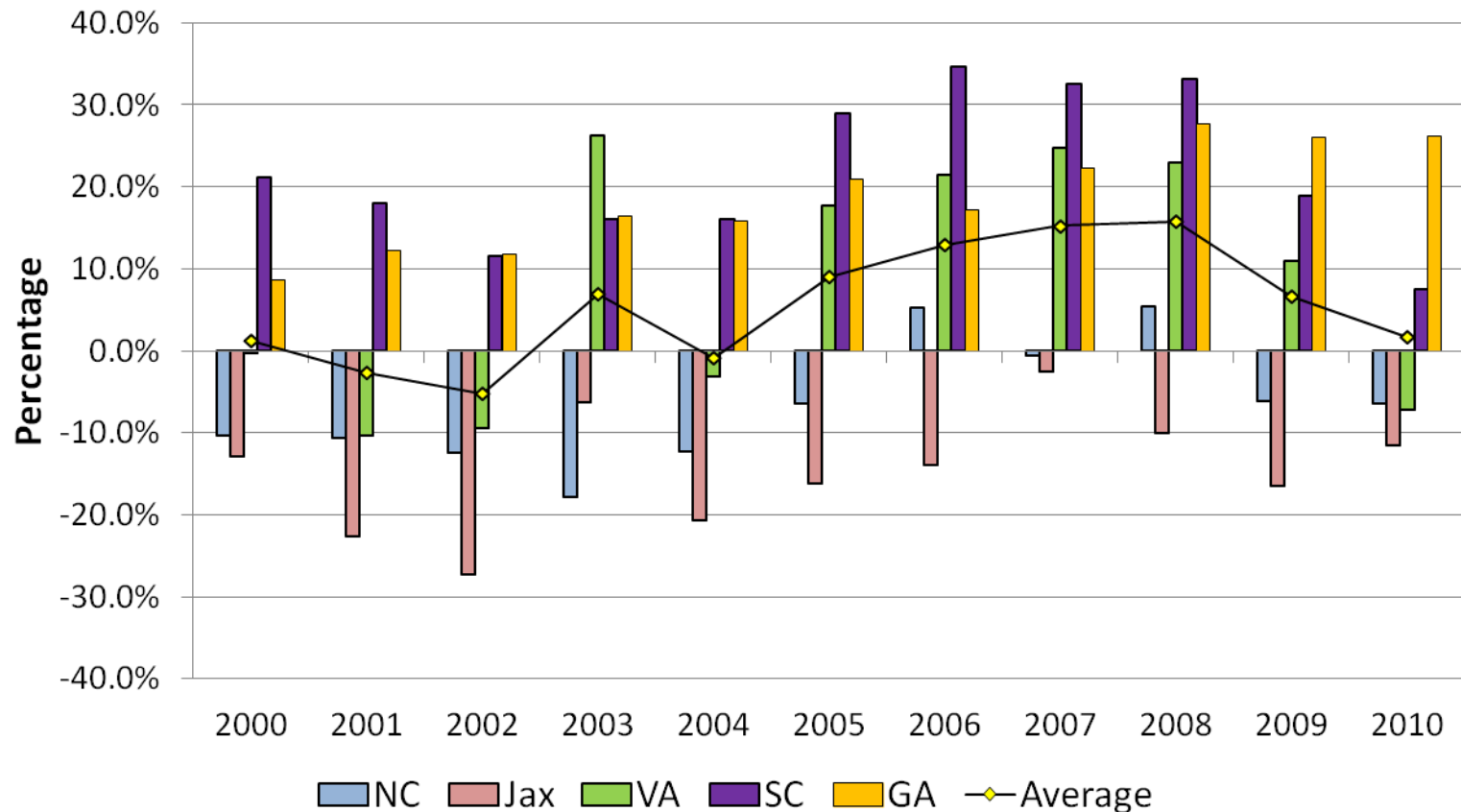
(Income from Port Activities / Total Operating Revenues)





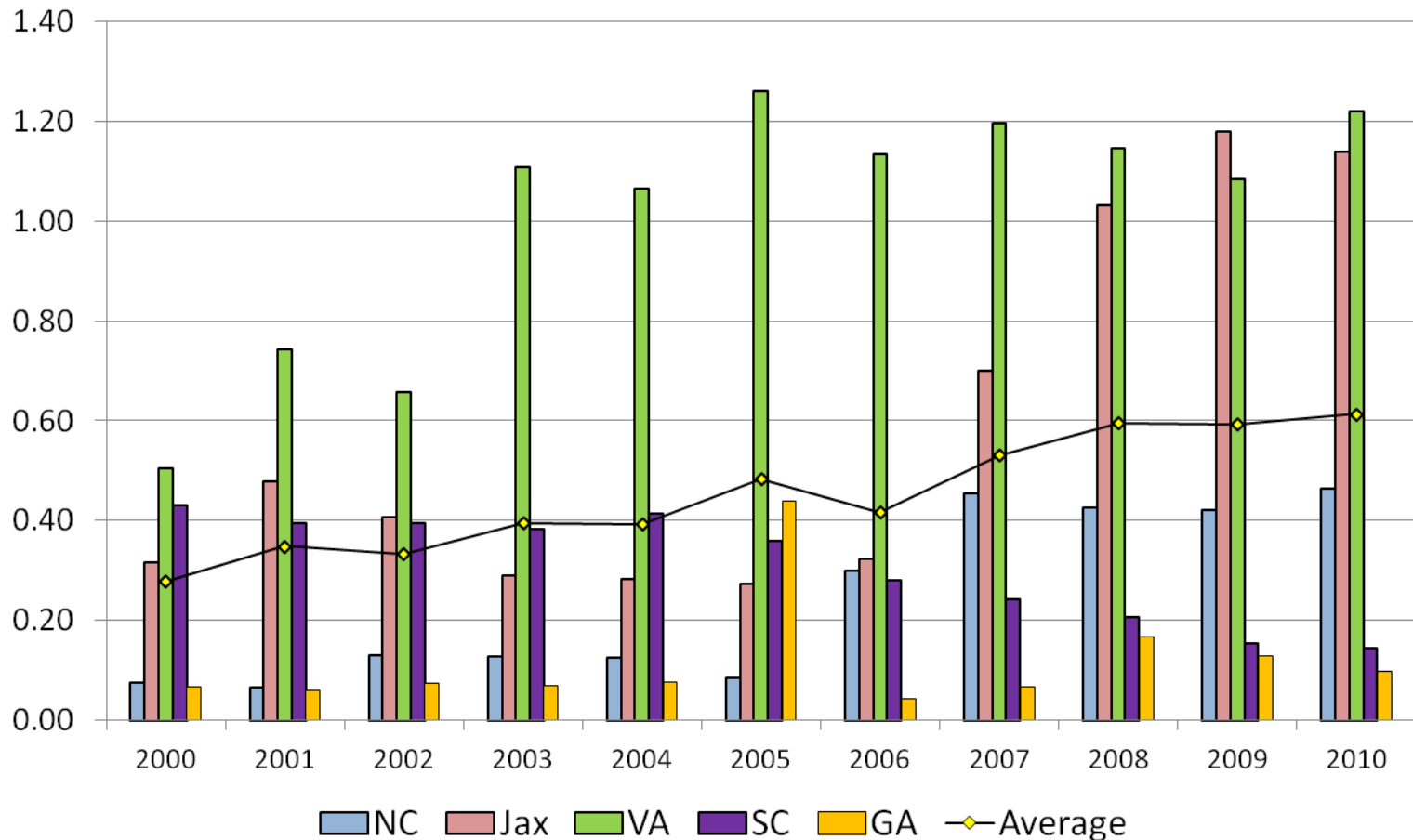
# Southeast Competing Ports

Southeast Coasts Ports Operating Margin Ratios  
2000 - 2010



# Southeast Competing Ports

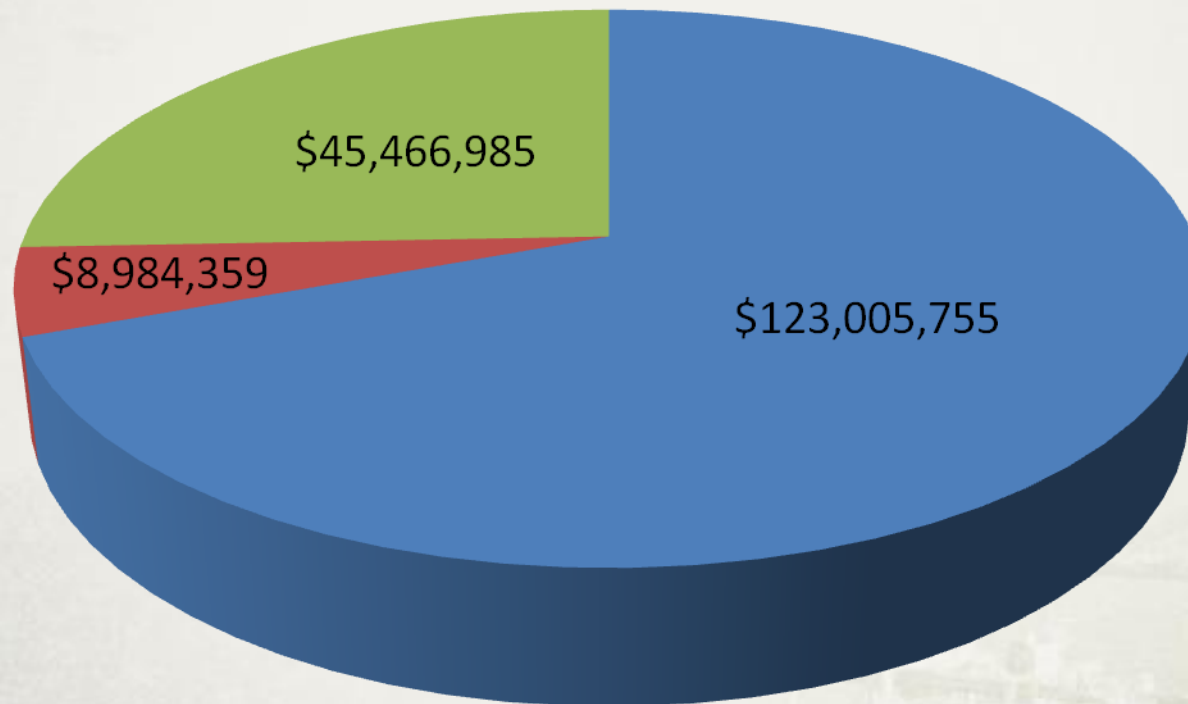
Southeast Coasts Ports Debt to Equity Ratios 2000 - 2010





# Ports Funding of Fixed Assets

Fixed Asset Funding FY02-FY11



■ Port Revenue Funded

■ Federal Funding Received

■ State Funding Received



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Thank You

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*or*

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